



ICENOGLE SEAVER POGUE

July 23, 2021

Town of Johnstown Town Council
223 1st Street
Johnstown, CO 80615

RE: Service Plan for Podtburg Metropolitan District Nos. 1 – 6 (Resubmittal)

Dear Mayor and Councilmembers,

Podtburg Dairy Limited Partnership LLLP (the “Proponent”) is the sole owner of approximately 449 acres of real property within the Town of Johnstown located north of Weld County Road 42, south of Weld County Road 46, east of Weld County Road 11, and west of Colorado Boulevard. The Proponent has commenced plans to develop this property as a commercial, golf course, and residential development (the “Property”). Considerable public improvements will be designed, acquired, installed, constructed, financed, operated, and/or maintained to provide the required water, wastewater, streets, and other public improvements needed for the area. To assist in the financing of public improvements to serve the needs of the Property, the Proponent seeks to organize Podtburg Metropolitan District Nos. 1 – 6 (the “Districts”) and respectfully submits the enclosed Service Plan for Podtburg Metropolitan District Nos. 1 – 6 (“Service Plan”) for consideration and approval by the Town Council.

The Service Plan describes the types of public improvements and services that the Districts may provide, as well as the Districts’ limited ability to amend the Service Plan and ability to contract for public improvements with other entities. As set forth in the Service Plan, six Districts are proposed to serve the Property. The Districts will work together to provide for the planning, design, acquisition, construction, installation, financing, administration, operation, and/or maintenance of public improvements needed for the Property, including provision of the funding needed to support the capital improvements and for operations dependent on development within the Districts and the ultimate size of the tax base that follows.

The Districts are currently anticipated to include approximately 480 single family detached units and approximately 300 apartment units. Approximately 24,000 square feet of commercial development is also anticipated as well as a 290 acre golf course development. Construction of public improvements is anticipated to occur over the next 15 years.

The total cost of the estimated public improvements is \$48,597,200. The maximum amount of Debt which may be incurred by the Districts collectively is \$33,376,567 (exclusive of refundings and Debt in the form of intergovernmental agreements). Debt shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan attached to the Service Plan and phased to serve development as it occurs. The maximum mill levy a District with solely commercial property within its boundaries is permitted

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to impose for payment of Debt is 50 mills. The maximum mill levy a District with solely residential property within its boundaries, or a mixed-use District with both residential and commercial property within its boundaries, is permitted to impose for payment of Debt is 40 mills. The District intended for golf course development is not permitted to impose a mill levy in excess of 10 mills for payment of Debt. The maximum mill levy each District may impose to defray administrative operations, and maintenance expenses is 10 mills. The mill levies are subject to adjustment based on assessment rate changes as provided in the Service Plan.

Because there are currently no other entities in existence in the area of the Property that have the ability and desire to undertake the design, financing, construction, operation, and/or maintenance of the public improvements that are needed for the Property, and the Districts are capable of providing economical and sufficient service to the Property and have the financial ability to discharge the proposed indebtedness on a reasonable basis as set forth in the Service Plan, the formation of the Districts would be in the best interests of the area proposed to be served by the Districts. Therefore, the Proponent requests that the Town Council adopt a resolution approving the Service Plan for Podtburg Metropolitan District Nos. 1 – 6 as submitted.

The names, addresses, and telephone numbers of the Proponent and the Proponent's professional representatives that have assisted in the preparation of the Service Plan are enclosed herewith.

Sincerely,

ICENOGLE SEAVER POGUE

A Professional Corporation


Alan D. Pogue

Enclosures

cc: Avi Rocklin, Town Attorney

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Podtburg Metropolitan District Nos. 1-6
Contact Information for Proponent and Professional Representatives

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Financial Plan Preparation:

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